



THE CITY OF SAN DIEGO **MANAGER'S REPORT**

DATE ISSUED: April 21, 2004 REPORT NO. 04-080

ATTENTION: Honorable Mayor and City Council Members
Docket of April 27, 2004

SUBJECT: Public Art Master Plan

SUMMARY:

Issue: Should the City Council approve the Public Art Master Plan, amend existing Council Policy 900-11 and adopt an Ordinance to implement the Public Art Program as outlined in this report?

Manager's Recommendation:

1) Approve the Public Art Master Plan, amend existing Council Policy 900-11 and adopt an Ordinance to implement the Public Art Program as advanced by the Natural Resources and Culture Committee and outlined in this report; 2) Amend existing Council Policy 900-11 as applied to eligible Capital Improvements Program projects and Redevelopment Agency projects to implement the Public Art Program as outlined in this report, but waive the Council Policy as it applies to Capital Improvements Program projects and Redevelopment Agency projects for FY05; 3) Adopt the Ordinance as applied to private development.

Other Recommendations:

Natural Resources and Culture Committee's Recommendation: On March 17, 2004, the Natural Resources and Culture Committee voted (5-0-0) to approve the City Manager's recommendations with additions as follows: 1) Advance the Public Art Master Plan in concept to City Council for approval; 2) Direct the City Attorney to draft an amendment to the Council Policy as applied to Capital Improvements Program projects and Redevelopment Agency projects to implement the program as outlined in this report, but waive the Council Policy as it applies to Capital Improvements Program projects and Redevelopment Agency projects for FY05; 3) Direct the City Attorney to draft an Ordinance as applied to private development to implement the Public Art Program as outlined in this report; 4) Direct the Commission for Arts and Culture (Commission) to present the Public Art Master Plan to the following organizations before this issue is heard before City Council: a) San Diego Regional Chamber of Commerce; b) National Association of Office and Industrial Properties; and c) Community Planners Committee;

and 5) Direct the City Manager to conduct a fiscal analysis of the potential annual costs based on the Fiscal Year 2004 City Budget before this issue is heard by the City Council, in order to determine the annual fiscal impact of the proposed Council Policy and Ordinance as set forth by the Public Art Master Plan.

Commission for Arts and Culture's Recommendation: Approve the Public Art Master Plan, amend existing Council Policy 900-11, and adopt an Ordinance to implement the Public Art Program.

Fiscal Impact: Contingent upon City Council approval, the Public Art Program will be funded annually by calculating 2% of the pre-design, design, construction and contingency expenses of eligible Capital Improvements Program and Redevelopment Agency projects with budgets over \$250,000. Land acquisition, furniture-fixtures-equipment and library book expenses are not included in these calculations.

The estimated fiscal impact of a 2% assessment on eligible projects in FY2004 is approximately \$991,670 and in FY2005 is \$765,721. These estimates were derived by calculating 2% of the total estimated budget for each new project that was identified in the FY 2004 City Budget books as meeting the criteria for eligible projects (stated below) for FY's 2004 and 2005. The figures shown here differ from those submitted in the previous report to the Natural Resources and Culture Committee on March 17, 2004. At that meeting, the Committee requested a fiscal analysis that would provide estimated fiscal impact information based on the FY 2004 City Budget. Commission staff, in consultation with the Financial Management's Acting Capital Improvements Program Coordinator, developed a method for calculating fiscal impact that more closely resembles the method that would be used if the Plan were approved. The resulting estimate, while more precise, has three known limitations which should be taken into account if one is using these figures in an attempt to predict actual future costs. They are as follows:

- 1) Capital Improvements Program and Redevelopment Agency projects included in the City Budget books may or may not be implemented according to the published schedule due to issues related to the availability of funds and/or changes in project completion schedules;
- 2) Capital Improvements Program and Redevelopment Agency project figures provided in the City Budget books are often estimates for projects that have not been fully scoped; and
- 3) The number of Capital Improvements Program and Redevelopment Agency projects undertaken in any future year may be greater than or less than those used to determine the estimates for this report.

The estimates above include any City Redevelopment Agency projects that are administered by the Community and Economic Development Department. An estimated figure for the funds from eligible Redevelopment Agency projects for FY2004 is \$234,200 (Centre City Development Corporation: \$164,200 and Southeastern Development Corporation: \$70,000). This estimate was established using information provided in the FY2004 City Budget books with assistance from Centre City Development Corporation and Southeastern Economic Development Corporation staff.

Eligibility Criteria: The eligibility criteria for all Capital Improvements Program and Redevelopment Agency projects are as follows:

- 1) The total project budget exceeds \$250,000;
- 2) The project or a portion of the project is above grade; and
- 3) The project is subject to high community use, is accessible to the public and/or is visible to the public.

Ineligible projects contain one or more of the following attributes:

- 1) It is a project for which City Council authorized expenditures prior to FY2006;
- 2) It is funded by an Annual Allocation;
- 3) It is solely two-dimensional, such as slurry seal or restriping;
- 4) It is intended to meet senior care, affordable housing or disabled care goals;
- 5) It is an improvement to a designated historic building; or
- 6) It is a “provide and install” tot lot or comfort station.

In addition, Capital Improvements Program and Redevelopment Agency projects in the following departments are ineligible:

- 1) Development Services;
- 2) QUALCOMM Stadium; and
- 3) Information Technology and Communications.

Summary of Council Policy as applied to eligible Capital Improvements Program and Redevelopment Agency projects:

1) At the time that the City Council considers the annual Capital Improvements Program budget, the City Manager shall propose that the City’s Public Art Program be funded by 2% of eligible Capital Improvements Program project budgets in excess of \$250,000. The City Council, in its discretion, may appropriate any amount equal to, less than, or in excess of the Manager’s recommended appropriations.

2) In Capital Improvements Program projects that are supported by Enterprise Funds, the public art allocation which is authorized by the City Council shall be expended only for artworks placed at the project site. In cases where the source of funding for a Capital Improvements Program project is derived from bonds, loans, or grants, those funds shall be segregated from other funding sources and expended in accordance with the restrictions, covenants, or conditions of those bonds, loans, or grants.

3) At the time that the Redevelopment Agency is authorized to advertise for bids for a public improvements contract involving an eligible project, the Executive Director of the Redevelopment Agency shall propose that the City’s Public Art Program be funded by 2% of the contract price. The Redevelopment Agency, in its discretion, may appropriate any amount equal to, less than, or in excess of the Executive Director’s recommended appropriations.

4) Redevelopment Agency funds must be expended on public art in the Redevelopment Agency project area, but any work of public art which is funded through Redevelopment

Agency public improvement contracts need not be located at the site of a specific Redevelopment Agency project.

Summary of Ordinance as applied to Private Development:

For private development, the City Council shall establish, by ordinance, a 1% set-aside for public art enhancement. The 1% public art requirement may be satisfied by making a portion of the premises available for cultural use, placement of an artwork on-site, or the deposit of one-half that amount into the Public Art Fund account to be used for the artistic and cultural enhancement of the City's public spaces. The public art financial requirement shall be based on 1% of the total building permit valuation. The public art financial requirement shall be imposed on all private, non-residential commercial and industrial development projects with total building permit valuations equal to or greater than \$5 million.

BACKGROUND:

In its best realization, public art has the power to transform communities, energize their population, inspire enthusiasm about the built environment, and engender ownership in artworks and the neighborhood at large. Public art has turned communities from an anonymous series of spaces into rich landscapes that reflect history, embrace and honor cultural differences, teach social values, and help us to be better citizens. The Commission's overriding goal for the Public Art Program should be the creation of a diverse collection of public artworks of undisputed quality and excellence.

The City initiated its Public Art Program in 1984, when it established a Public Art Advisory Board. It created a Public Art Fund in 1985, when it adopted ordinance 0-86-77, codified in San Diego Municipal Code 26.0701 – 26.0707. The Public Art Fund was financed by 1% of the City's Capital Outlay Fund.

The Public Art Advisory Board was disbanded in 1988, when the Commission was created. The Commission subsequently formed an Art in Public Places Committee. (Since renamed the Public Art Committee, it still actively oversees the current program.)

In the early 1990s, the City ceased the flow of 1% of the Capital Outlay Fund into the Public Art Fund. From this point, funding for public art was mainly determined by City department heads and project managers responsible for Capital Improvements Program projects, and administrative expenses were covered by a variety of sources such as grants. Although the hope has always been that the Public Art Fund would be financed through a percentage of the Capital Improvements Program project budget, that method has never been approved by City Council.

As a response, the Commission developed a pilot program called the Public Art Master Plan in the early 1990s which involved communities and artists in the development and creation of site specific artwork. Soon after, the City Council adopted Policy 900-11 *Artist(s) Involvement in Selected Capital Improvement Projects*. Council Policy 900-11 does not outline specific funding sources for public art. Council Policy 900-11 is a companion to ordinance 0-86-77.

In 2000, Commission staff began the process of assessing the Public Art Program, starting with a series of Roundtable Forums on Public Art. The Forums resulted in a series of suggestions about how to address many of the program's issues. The assessment included a *Public Art Program Report*, completed by an independent consultant. The Report discussed potential funding scenarios for the City's Public Art Program and called for a comprehensive master planning process.

The Public Art Master Plan was initiated in order to examine means of strengthening the existing Public Art Program, and the feasibility of establishing a program with broader applicability and significance to our residents and visitors.

In 2001, Jerry Allen and Associates was selected from a group of qualified consultants to perform a study, make recommendations, and draft the San Diego Public Art Master Plan. The planning processes undertaken by Jerry Allen and Associates in developing the Public Art Master Plan employed the following approaches:

1. The consultant team reviewed and studied literature provided by the City, including local and regional plans, Capital Improvements Program project budgets, state and local reports, marketing literature, census data, granting information and other materials.
2. The consultant team presented three slide shows to the public and to City staff. These slide shows were: A History of Public Art, Public Art in California, and Public Art: The Year in Review.
3. The Commission appointed a 30-member Public Art Master Plan Steering Committee to provide initial direction to the consultant team and to provide feedback on findings and recommendations throughout the process. The Steering Committee has met seven times.
4. Key person interviews were conducted with over 150 leaders from the arts, government, business and community associations. In these meetings, facts and opinions were solicited on San Diego's public art program and its policies and projects, in order to develop a comprehensive picture of the program.
5. Focus groups were held and facilitated by the consultants, in which individuals sharing a common interest and expertise were convened to review the major issues.
6. Public artist Jack Mackie conducted a series of three workshops and charettes for local artists, design professionals and project managers.
7. The plan has been reviewed and modified through an extensive series of meetings and presentations with key stakeholders, including the Commission, the Public Art Master Plan Steering Committee, the Public Art Committee, City officials and others.

DISCUSSION:

The resulting Public Art Master Plan focuses on strengthening the City's Public Art Program through two avenues. The first is by increasing the opportunity for meaningful community involvement and participation in the program while increasing general awareness of the program. The Plan contains recommendations on modifying the process of project and artist selection to provide for greater community involvement; ways of collaborating with other City departments

and its independent agencies; means of providing important training and job opportunities for local artists; and allying public art with larger community and urban design issues in the city.

The second avenue centers on the administration and organization of the Public Art Program, including funding. The Plan presents means of streamlining the program's processes. It discusses means for funding public art programs and provides a comparison with comparable cities' programs. The planning process involved extensive discussions about the feasibility of the establishment of a required percent-for-art city policy, and a similar requirement for private development. The Plan includes a set of recommendations on means for solidifying financial support for the program through a variety of funding streams, including public and private participants.

The Plan also contains a policy, a set of guidelines and principles for the Commission's Public Art Program, outlining the future administration of the program in order to implement the steps recommended in the report.

ALTERNATIVE:

Approve the Public Art Master Plan with modifications, amend the existing Council Policy 900-11 with modifications and adopt an Ordinance with modifications to implement the Public Art Program as outlined in this report.

Respectfully submitted,

Victoria L. Hamilton
Executive Director
Commission for Arts and Culture

Bruce A. Herring
Deputy City Manager

BH/VLH/lf/vs

Note: Attachment 1 is not available in electronic format. A copy is available for review in the Office of the City Clerk.

Attachments:

1. Public Art Master Plan
2. [Council Policy 900-11 \(existing\)](#)
3. [Summary of Procedural History](#)
4. [Fiscal Analyses](#)
5. [Artists\(s\) Involvement in Selected Capital Improvements Program Projects Council Policy 900-11 \(amended\)](#)
6. [Ordinance for Art in Private Development](#)